



2022 ANNUAL ESG REPORT

LBAOffice

LBALogistics 



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TO OUR STAKEHOLDERS

A YEAR OF PROGRESS.

Welcome to the LBA 2022 Annual Environmental, Social and Governance (ESG) Report.

This report details our company's progress and successes on ESG, blending a detailed snapshot of where we are at and where we are going.

LBA continues to make ESG a top priority. We continue to drive policy changes and business practices that serve the greater good while we deliver on our core business proposition as a real estate investment and management firm. We have made progress year-over-year as measured by key qualitative and quantitative metrics. Diversity, equity and inclusion are integral to our approach, which requires collaboration with all of our stakeholders. We're achieving better outcomes across our portfolio and serving the communities in which we invest, live and work.

THE BIG PICTURE.

We have set a goal to reduce our energy consumption by 3% annually, where we are in operational control, and in 2021 we exceeded it, reducing our portfolio-wide energy use by 8% or 24M kBtu.

Other milestones of note:

- We've committed to support the international ESG framework as embodied in the United Nations Global Compact on human rights, labor, environment and anti-corruption, and to advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.
- We continue to be a Better Buildings Challenge partner with the U.S. Department of Energy, and as such have committed to improve energy results by at least 20% within 10 years, starting with a 2013 baseline. As of year-end 2021, we had a cumulative improvement of 17%. We also continue to reduce our water consumption and increase waste diversion.
- In 2021, LBA became the first company to achieve the UL Verified Healthy Building Mark for Indoor Environment across our office portfolio, a distinction that demonstrates our commitment to maintain healthy workplace environments.

- Notably, our office building HVAC systems have been optimized to replace the indoor air at regular intervals, as well as continuously monitor and modulate outside air intake and ventilation rates. Mechanical systems utilize high efficiency MERV-13 air filters, where possible, for the maximum allowable filtration specifications per ASHRAE, and we take even more steps to clean and disinfect building HVAC units.
- At year-end 2021, we led the way as a national leader with BOMA 360 certifications from BOMA International.

THE BOTTOM LINE.

We operate high-performing buildings with a focus in reducing our environmental impact.

In addition to continual improvement across the board, the biggest opportunity we see is around increased transparency and third-party validation of our energy, water, waste and carbon emissions data to assure our performance and alignment with key standards and goals, and to measure and capture our progress.

Thank you for your support as a stakeholder, as we continue this journey.

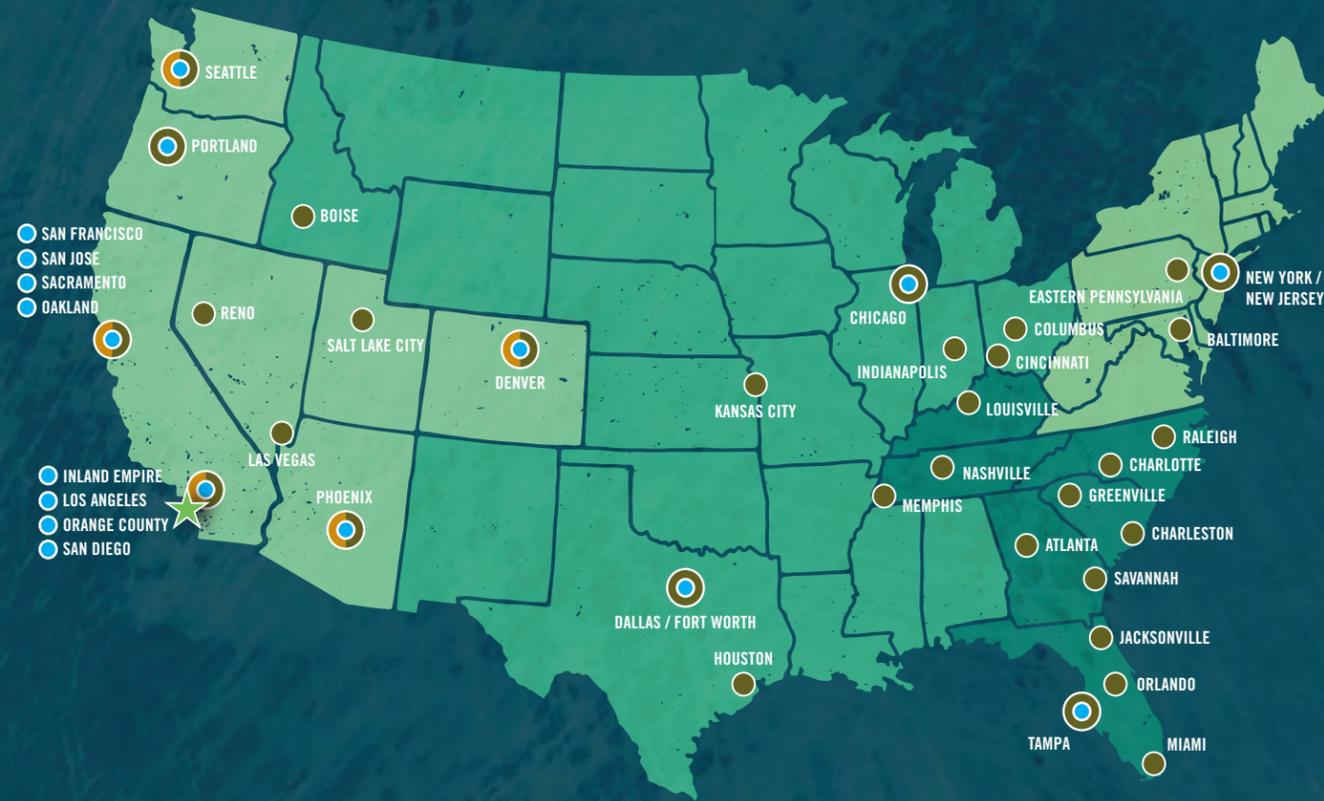
PHIL BELLING
Managing Principal



PERRY SCHONFELD
Principal & Chief Operating Officer



PORTFOLIO



★ LBA Corporate Headquarters

● Office Portfolio Markets

● Industrial Portfolio Markets

● LBA Regional Offices

LBA's current portfolio totals approximately 92 million square feet. Our industrial footprint is approximately 85 million square feet throughout the country in major logistics markets while our office portfolio consists of approximately 7 million square feet located in major Western U.S. markets. LBA has regional offices across the nation in Southern and Northern California, Seattle, Phoenix, Denver, Dallas, Chicago, New York, New Jersey and Florida.

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LBA EMBEDS ESG IN ITS DNA

ESG MISSION STATEMENT

LBA continues on our mission to embed, within the company, environmental, social and governance policies and practices that advance the greater good. Our mission allows us to serve key stakeholders: team members, investors, customers, service provider partners and the communities where we invest, live and work.

Our ESG mission is to embrace business practices that reduce our carbon footprint to encourage sustainability and improve outcomes for our stakeholders economically and socially.

Diversity, equity and inclusion are key to our approach, which is evolving as we examine ways to engage our stakeholders, further diversify our relationships, and expand opportunities for people to advance and share in the rewards that the organization generates. So, too, are our charitable efforts, as we look to maximize the social impacts of our philanthropic activities.

ESG, DEI and the performance of our assets, funds and portfolio strategies are not mutually exclusive. In fact, they go hand-in-hand.

We continue to make progress through the level of responsibility we show towards our people, our properties and our communities. The adoption of best practices and our willingness to benchmark ourselves with third-party validation of our performance allows us to measure our results over time and demonstrate our sustained commitment.



ESG STRATEGY & VISION

LBA focuses our ESG framework on making a positive impact for our investors, customers, team members, service providers and the communities. Our ESG program is a top priority as we continuously improve our policies, programs and strategies. The foundation of our efforts is built upon improving our environmental impact while taking a business case approach that is tailored to meet the needs of our assets, funds and portfolio strategies. We remain dedicated to achieving better performance in environmental, health and social outcomes, while adding value across our portfolio.

Our ESG team includes the Director of ESG and Sustainability with oversight from the Chief Operating Officer & Principal of Operations and support from the Corporate Operations and Marketing teams. The team is focused on mitigating climate change impacts and creating best practices in energy, greenhouse gas, water and waste reduction strategies. We have created programs from acquisition and throughout the life cycle of our assets that support progress in these areas including renewable energy, benchmarking and data management, LED lighting upgrades, smart buildings, water efficiency, waste reductions, climate risk assessments and health and wellness. ESG touches every aspect of our organization and the success of the program is a direct result of our collaborative efforts with all stakeholders. LBA and our team members are dedicated to making a social impact through charitable giving, volunteering our time and promoting diversity and inclusion in the workplace.



left to right:
 Melanie Colbert, Principal of Operations
 Tanya Shyy, Assistant Engineering Manager
 Michelle German, Director of ESG & Sustainability
 Eve Buck, Senior Marketing Specialist
 Allison Pumphrey, Operations Manager

LBA COMMITS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Source: www.un.org/en/academic-impact/new-guidelines-using-sustainable-development-goals-logo-and-icons

LBA understands the importance of aligning our ESG program with an international framework, therefore, we have committed to 10 out of 17 of the United Nations Sustainable Development Goals (SDGs). This is part of the transparency LBA strives to provide to our stakeholders. The SDGs allow us to tie our corporate ESG goals to global goals and demonstrate that while investments in energy and carbon reductions may benefit our bottom line, they also offer broader benefits to the community and the world.



LBA Logistics

PORTFOLIO HIGHLIGHTS

6.4 MW

17.5 MW
(In Process)

SOLAR

1.4M SF

ENERGY STAR
CERTIFICATIONS

700K SF

2.2M SF
(In Process)

LEED CERTIFICATIONS

6.5M kWh

LIGHTING RETROFITS
KWH REDUCTIONS

9.1K kg

EV CHARGING STATIONS
ANNUAL GHG
EMISSIONS AVOIDED



INDUSTRIAL INITIATIVES AND APPROACH



CARBON REDUCTION FOCUS

LBA partners with customers to invest in energy efficiency, technologies and operational best practices to ensure we make advancements to reduce carbon emissions.

CUSTOMER PARTNERSHIPS - "SUSTAINABILITY AS A SERVICE"

We are committed to providing sustainability resources that support customer business objectives, decrease operating costs, enhance comfort and increase overall satisfaction. LBA leverages and shares vendor relationships with our customers in various areas such as health and wellness, energy and water conservation efforts, recycling programs, electric vehicle charging stations, sustainable technology solutions and certifications such as ENERGY STAR, Fitwel and BOMA 360.

ENERGY DATA AND BENCHMARKING

LBA will continue to educate team members and customers in order to substantially increase data coverage and benchmark all properties in ENERGY STAR, where data is available.

LED LIGHTING

Through our existing lighting program, we engage with many of our existing customers in converting to LED or high efficiency lighting.

RENEWABLE ENERGY AND CLEAN-TECH

We partner with customers to achieve sustainable goals including ongoing evaluation of solar and battery storage as a solution to add renewable energy to the grid.

COOL ROOFS

By replacing building roofs with cool roofs that deliver higher solar reflectance and thermal emittance, we can provide energy efficiency and cost savings while lowering indoor temperatures.

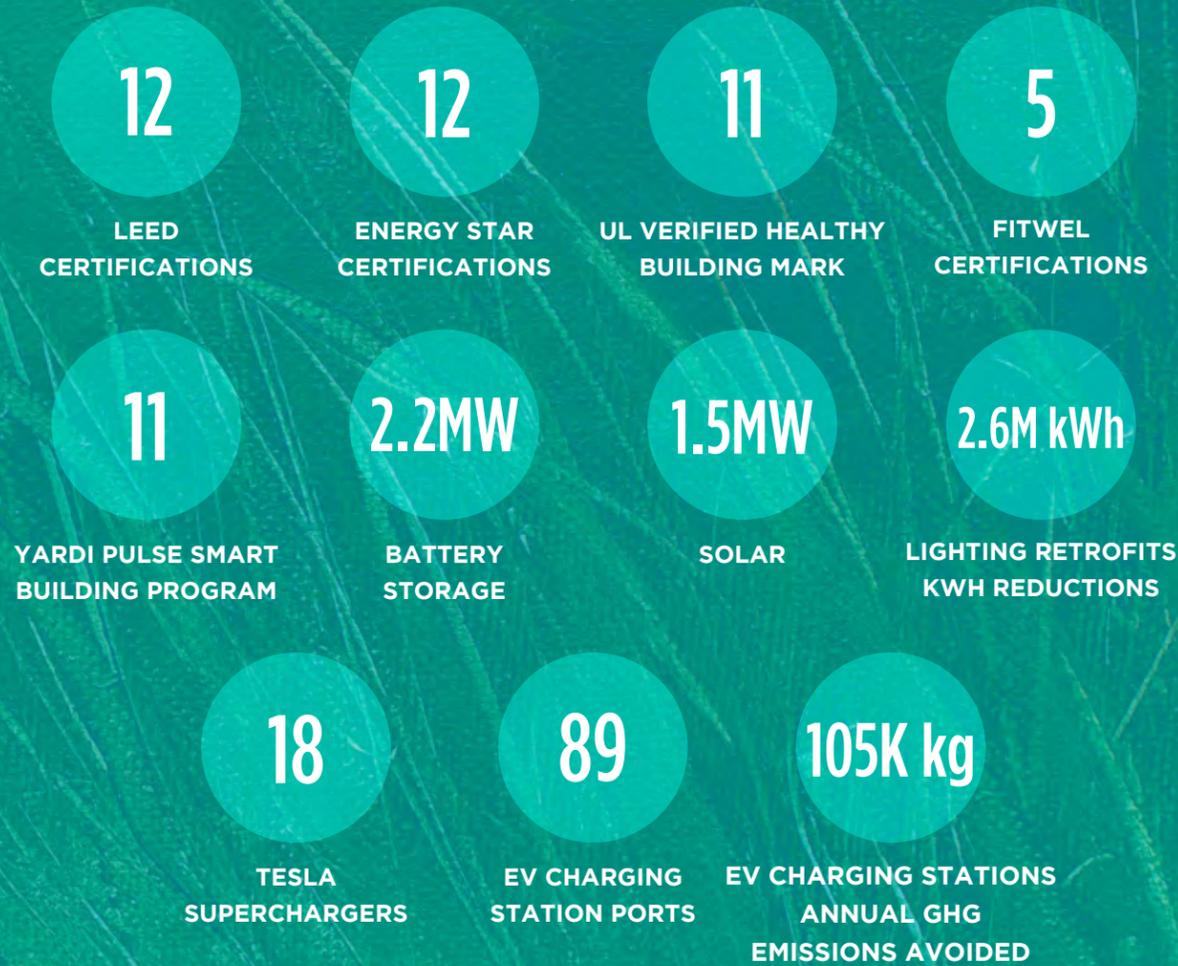
SUSTAINABLE CONSTRUCTION AND DEVELOPMENT

LBA continues to develop and implement sustainable building standards that pave the way to reduce energy consumption, carbon emissions, and waste generated during the construction process.

LEED CERTIFICATION FOR DEVELOPMENTS

LBA pursues LEED certification on all LBA managed ground-up developments, where feasible.

PORTFOLIO HIGHLIGHTS



OFFICE INITIATIVES AND APPROACH

CARBON REDUCTION FOCUS

LBA continues to invest in energy efficiency, technologies and operational best practices to ensure we make advancements to reduce carbon emissions, lower operating costs and make a positive environmental impact within our communities.

ENERGY CONSERVATION MEASURES

We prioritize energy conservation measures including lighting retrofits, cool roofs, smart building technologies and additional upgrades and replacements, all of which significantly reduce operating costs and LBA's carbon footprint.

HEALTH AND WELLNESS

LBA has a strong focus in health and wellness and strives to support exceptional indoor environments and the well-being of team members and customers.

WATER EFFICIENCY AND CONSERVATION

We are actively identifying ways to improve water efficiency by executing strategies such as drought tolerant and native plant materials, drip irrigation, weather sensors, low flow faucets and toilets and partnering with customers to educate them on best practices to reduce water.

WASTE REDUCTION PRACTICES

We remain committed to reducing waste, reusing materials and implementing recycling programs at our buildings. LBA works with a third-party service provider to monitor and audit service levels to improve diversion rates. We have made it a priority to educate team members and customers on how to reduce waste and properly recycle.

GREEN BUILDING CERTIFICATIONS

As part of LBA's ESG program, we utilize green certifications as third-party validation of sustainable operations to demonstrate our strong commitment to sustainability.



AWARDS & RECOGNITION

COMPANY ACHIEVEMENTS

ENERGY STAR PARTNER OF THE YEAR — SUSTAINED EXCELLENCE IN ENERGY MANAGEMENT CATEGORY



LBA has achieved the ENERGY STAR Partner of the Year award for the fourth consecutive year and is a second-time recipient of the Sustained Excellence Award. Sustained Excellence is the highest honor awarded by the ENERGY STAR program. Winners are part of a distinguished group that has made a long-term commitment to fight climate change and protect public health through energy efficiency. The ENERGY STAR award is a national recognition by the U.S. Environmental Protection Agency and U.S. Department of Energy.

GREEN LEASE LEADERS — GOLD LEVEL



LBA received national recognition from the Institute for Market Transformation and Department of Energy's Better Buildings Alliance as a 2019 and 2022 Green Lease Leader — Gold Level. Green Lease Leaders is a recognition program, every three years, that sheds light on forward thinking companies that effectively modernize their leases and sustainability strategy to encourage collaborative action with all stakeholders on energy efficiency and sustainable operations.

PROPERTY ACHIEVEMENTS



BOMA 360 141 CERTIFICATIONS

BOMA 360 is a commercial real estate designation developed by the Building Owners and Managers Association International (BOMA) that recognizes all-around excellence in building operations and management. Unlike typical "green" rating programs, BOMA 360 looks at all areas of a building's operations and management, including energy and sustainability.



LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN (LEED) 16 CERTIFICATIONS: 3 PLATINUM, 5 GOLD, 4 SILVER, 4 BD+C

LBA is a gold member of the USGBC and utilizes LEED as a framework to ensure we are operating our buildings with the highest standards of building efficiency and sustainability practices. We pursue LEED O+M across the office portfolio and LEED BD+C at ground-up developments.



ENERGY STAR 23 CERTIFICATIONS

1 ENERGY STAR FOR TENANT SPACE CERTIFICATION

LBA tracks all office buildings in ENERGY STAR Portfolio Manager and partners with industrial tenants to help measure building performance and identify energy saving opportunities. By earning ENERGY STAR certifications, we're acting on our commitment to save energy, protect the environment and conserve for the future.



UL VERIFIED HEALTHY BUILDING MARK 11 OFFICE BUILDINGS

LBA was the first company globally to achieve the UL Verified Healthy Building Mark for Indoor Environment across the office portfolio. To earn the UL Verification Mark, buildings must undergo a rigorous, science-based assessment that entails visual on-site inspections and comprehensive performance tests that evaluate a range of building conditions including indoor air and water quality, hygiene, lighting, and acoustics.



FITWEL 5 CERTIFICATIONS

Fitwel was created by the U.S. Centers for Disease Control and the General Services Administration to optimize healthy buildings, decrease disease, improve mental health, encourage social interaction, and increase civic trust and overall well-being. LBA's Fitwel program demonstrates our commitment to prioritize healthy building operations and assist in the well-being of our building occupants. The program also encourages our operations team to promote wellness through incorporating new amenities and strategies at the asset-level.

INDUSTRY ENGAGEMENT

LBA has partnered with organizations and industry leaders to improve our ESG program. Through networking and collaboration, we share best practices, important trends and stay on the forefront of technology and innovation.



REAL ESTATE ROUNDTABLE MEMBERSHIP

As a member of The Real Estate Roundtable and the Roundtable's Sustainability Policy Advisory Committee (SPAC), LBA remains well-informed on policies that promote cost-effective investments that optimize energy efficiency in U.S. buildings. Additionally, SPAC educates policymakers on the importance of responsible and sustainable energy and climate policies within the real estate industry to ensure we receive legislative and regulatory support.



BUILDING OWNERS AND MANAGERS ASSOCIATION INTERNATIONAL

LBA is a member of BOMA and a large supporter with numerous local memberships and volunteers across our organization. BOMA represent owners, managers, service providers and other property professionals of all commercial building types to maximize value for their careers, organizations and assets through advocacy, influence, and knowledge. We are also involved at the international level, including executive involvement of BOMA's National Advisory Council, an exclusive network of senior commercial real estate professionals who meet annually to share perspectives and advance policy recommendations.



URBAN LAND INSTITUTE GREENPRINT PARTNERSHIP

LBA is a member of the Urban Land Institute (ULI) Greenprint Center for Building Performance program. This is a worldwide alliance of leading real estate owners, investors and financial institutions committed to reducing carbon emissions across the global real estate industry.



DEPARTMENT OF ENERGY - BETTER BUILDINGS CHALLENGE & LOW CARBON PILOT

Better Buildings is an initiative of the U.S. Department of Energy (DOE) designed to improve the lives of the American people by driving leadership in energy innovation. Through Better Buildings, DOE partners with leaders in the public and private sectors to make the nation's homes, commercial buildings, and industrial plants more energy-efficient by accelerating investment and sharing successful best practices. We have also committed to the Better Buildings Challenge Low Carbon Pilot at 3 office properties. Through this program, we are building best practices around low carbon strategies as we work towards a pathway to carbon neutrality.

GREEN LEASING

The environmental impact across our portfolio heavily relies upon our customers' behavior within their individual spaces. Engagement with our customers is essential to educate them on sustainable operations so we can execute our strategies. We believe that by incorporating green language into our leases, we can partner with our customers to increase sustainable performance within our buildings and work together to contribute towards positive environmental outcomes.

To support our ESG objectives, we have updated our master lease templates to incorporate green lease language. Since our last update, we have increased green lease language coverage.

Our standard green lease language includes the ability to obtain customers' energy utility data so we can comply with benchmarking requirements and partner with our customers to assist with performance improvements. The language also allows LBA cost recovery for certifications (including BOMA, ENERGY STAR, LEED, etc.) and capital expenditures that reduce energy consumption or operating charges. Our leasing team negotiates our leases with the intent of keeping the language unchanged. As a result of our efforts, LBA has received national recognition from the Institute for Market Transformation and the Department of Energy's Better Buildings Alliance as a 2019 and 2022 Green Lease Leader - Gold Level, which is awarded every three years.

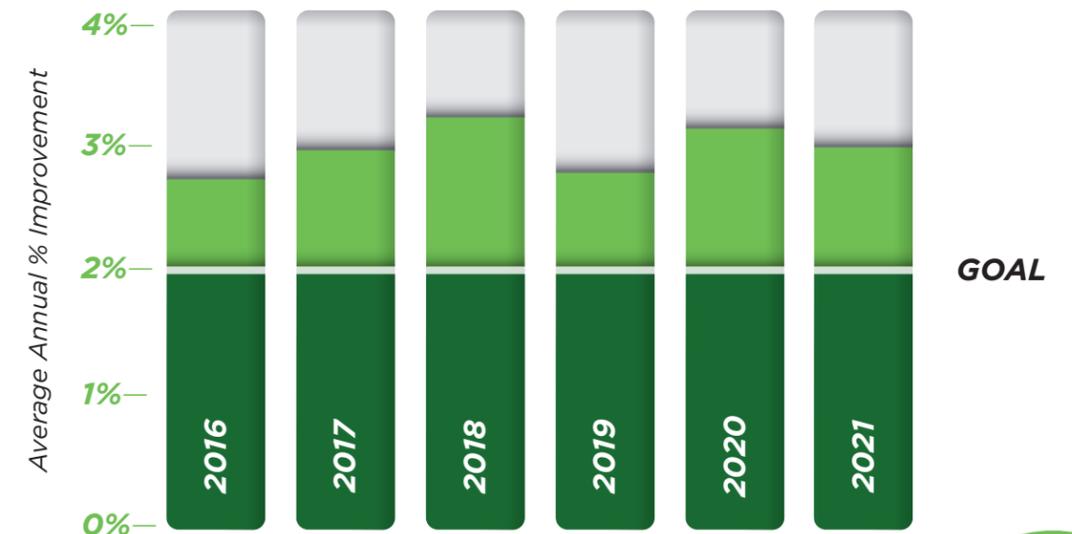
RESULTS & PROGRESS

LONG-TERM COMMITMENT DEPARTMENT OF ENERGY BETTER BUILDING CHALLENGE

GOAL: LBA is a Better Buildings Challenge Partner and has publicly committed to improve energy results by at least 20% percent within 10 years, starting with a 2013 baseline. In 2021, LBA had an average annual percentage improvement of 3.2%, and a cumulative improvement of 17%.

RESULTS: 17% portfolio Energy Use Intensity (EUI) improvement since 2013.

Average Annual % Improvement by Reporting Period



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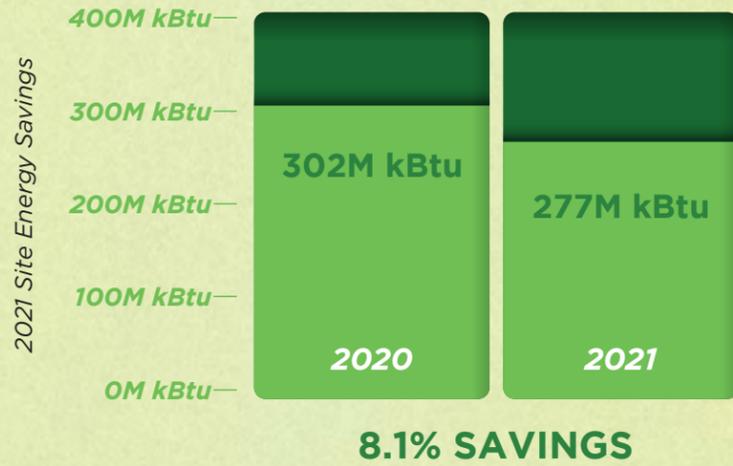
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ENERGY PERFORMANCE

	DEC 2020	DEC 2021	
Weather Normalized Site Energy Use (kBtu)	302M	277M	-8.1%
Weather Normalized Source Energy Use (kBtu)	765M	703M	-8.2%

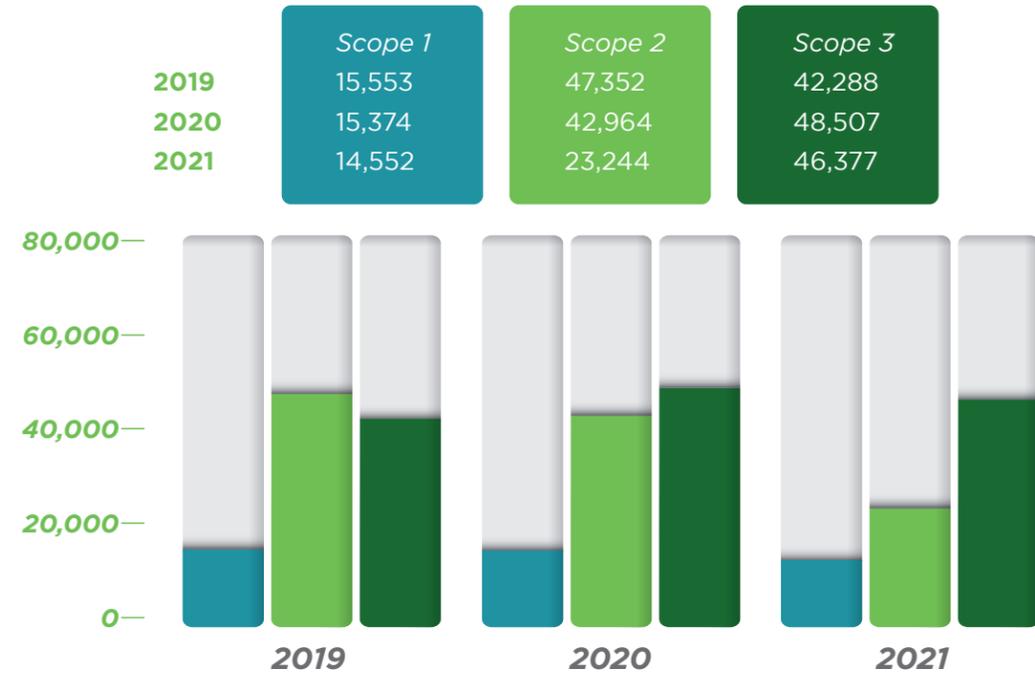
RESULTS:



GHG EMISSIONS INVENTORY

LBA GHG INVENTORY 2019-2021 SUMMARY

Metric Tons of CO₂ Equivalents



Footnotes:

- Number of properties included in GHG inventory increased by 17% from 2020 to 2021, predominantly for indirectly managed properties (LBA's industrial portfolio - Scope 3).
- Scope 2 decreased due to energy efficiency projects and 75% renewable energy from Green-e certified RECs for Park Place.
- Scope 3 decreased due to LED retrofits at industrial sites and 12% reduction in indirect waste data collection.
- Organizational and Operational Boundaries:
 - Scope 1: Directly managed natural gas, refrigerants, generator diesel fuel and engineering mobile fleet
 - Scope 2: Directly managed purchased electricity and steam
 - Scope 3: Directly managed waste, LBA business travel, and indirectly managed waste, gas, refrigerants, generator diesel fuel

ENERGY STAR AVERAGE SCORE



GHG EQUIVALENCIES

LBA saved 4,089 metric tons of CO₂ equivalent in 2021, which equals the following:



10.2M

Miles driven by an average passenger vehicle



177K

Tons of waste recycled instead of landfilled



4.5M

Pounds of coal burned

WATER 2020 VS. 2021

GOAL: 3% REDUCTION



6.23%
IMPROVEMENT

WASTE 2020 VS. 2021

GOAL: INCREASE DIVERSION RATE BY 3%



19%
INCREASED DIVERSION RATE

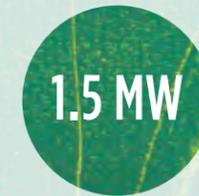
SMART BUILDING PROGRAM

LBA has implemented Yardi Pulse, an automated energy management software throughout our office portfolio. Yardi has installed software that monitors and optimizes building electrical utility meters and HVAC Building Management Systems. The Yardi Smart Energy Suite includes real-time building electrical meter monitoring and analytics, HVAC system fault detection and diagnostics, and HVAC active optimization system software to maximize occupant comfort and energy efficiency.

RESULTS:



RENEWABLE ENERGY



Active solar projects: 7.9 MW



Executed solar leases



Battery storage

BIODIVERSITY



ONE CULVER
Culver City, CA



DENVER PLACE
Denver, CO



DFW AIRPORT CENTER
Coppell, TX

TRANSPORTATION



ELECTRIC VEHICLE CHARGING



CLIMATE RISK & RESILIENCE

As part of our commitment to resiliency, LBA incorporates climate risk assessments into the due diligence process. The assessment results in a scorecard to identify an asset's potential exposure to climate hazards including floods, heat stress, wind events, sea level rise, water stress and wildfires. During the review process, if any medium to high climate risk is identified, the issue is evaluated, and risk mitigation options are discussed. Upon acquisition, all risks and concerns identified during the due diligence process are addressed and transitioned to the operations team and a resiliency plan is incorporated into the Standard Operating Procedure for the property.



PORTFOLIO CASE STUDY

LBA TOPS RANKING FOR MOST BOMA 360 CERTIFIED BUILDINGS

LBA leads the way as a national leader in BOMA 360 certifications according to rankings from BOMA International.

The BOMA 360 Performance Program sets the standard worldwide for operational best practices in the commercial real estate industry. Earning the BOMA 360 label demonstrates that a building is operating with all-around excellence in building operations and management. Owners and managers rely on the program to help achieve operational efficiencies and, often, higher levels of tenant satisfaction.

Currently, 141 LBA industrial and office properties are certified. Team members across the LBA organization participate in the application process, which takes a holistic approach to evaluate buildings based on industry best practices in six major areas:

- Building operations and management, including preventive maintenance
- Life safety, security and risk management, including emergency and disaster preparedness and recovery, code compliance and fire safety
- Training and education, including the professional development, certification and licensing of staff
- Energy, including building energy management and system servicing
- Environmental/sustainability, including building certifications, exterior maintenance management and traffic-reduction initiatives
- Tenant relations and community involvement, including tenant experience

The Global Real Estate Sustainability Benchmark (GRESB), the worldwide portfolio-level standard for ESG benchmarking for real estate, recently recognized the BOMA 360 Performance Program as a green certification for individual building operations. Achieving the BOMA 360 designation helps portfolios improve their GRESB performance in everything from standard operating procedures to energy management to tenant engagement.

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INDUSTRIAL CASE STUDY

ROOFTOP SOLAR FOR THE COMMUNITY'S BENEFIT

LBA is participating in pilot programs in two states by using our industrial building rooftop space to generate solar power for the community's benefit.

The programs in Maryland and New Jersey generally work the same way, but the New Jersey program is guaranteed to benefit low-to-moderate income families. They will be the recipients of most of the power generated, and pay a discounted rate.

The New Jersey program is now in its third year as the state works to make solar accessible to underserved communities, with the goal of transitioning to 100% clean energy by 2050. The program in Maryland launched in 2017. Both programs increase renewable energy production and enable people who cannot generate their own solar power to benefit from renewable energy.

Relatedly, LBA aspires to implement as many solar power generation systems as possible and practicable across the portfolio to lower consumption of energy produced by nonrenewable sources, reduce carbon emissions generally, and return onsite generated energy to the power grid.

LBA's Sustainability as a Service offering helps occupiers of our buildings procure solar energy systems that provide green, renewable energy at or below current market pricing.

RESULTS

In Maryland, LBA is building four installations that add 17.5 MW of solar to four industrial sites as part of the state-sponsored community solar program. In New Jersey, we have applied to add 2.9 MW of solar, pending approval of our sites. We have signed leases and are waiting to be assigned capacity.

At the same time, LBA, in partnership with customers has solar rooftop and carport projects in operation that generate a total of 7.9 MW of renewable energy each year.



INDUSTRIAL CASE STUDY

LED LIGHTING SHINES A BRIGHTER FUTURE ON LBA CUSTOMERS

LED lights can reduce electricity consumption by over 80% compared to conventional light bulbs and can last up to 15 times longer, saving tenants money, providing better lighting quality and supporting sustainability objectives.

As part of LBA's Sustainability as a Service offering, we help customers assess the potential for LED lighting installations or retrofits of their buildings, including the cost and energy savings, and can connect occupiers with service-provider partners and suppliers who can perform the work.

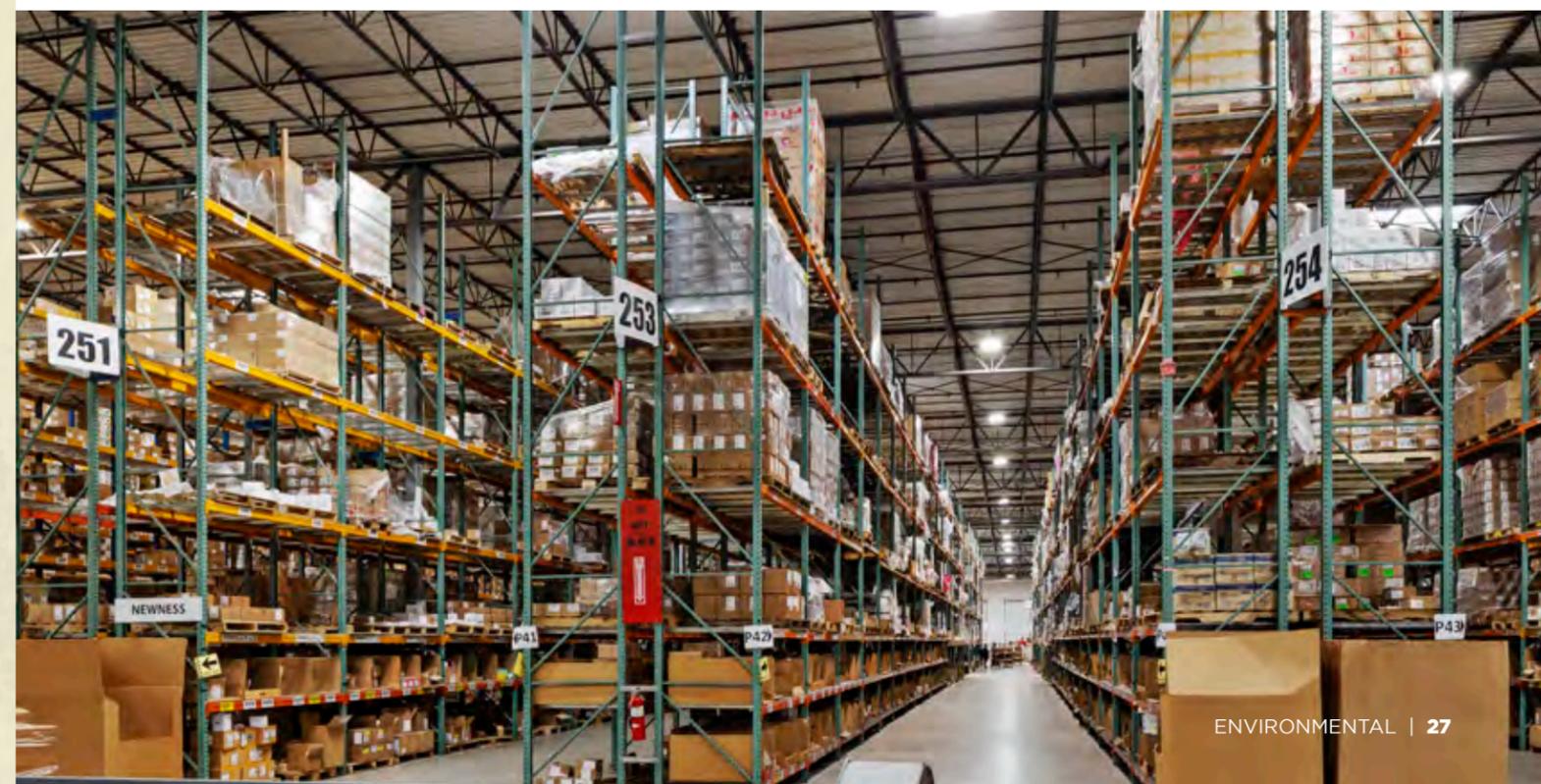
Following are selected examples of recent LED lighting retrofits at individual properties within LBA's portfolio.

SEPHORA

Sephora, the personal care and beauty products retailer, occupies 316,500 square feet in an LBA industrial building located off I-95 outside of Baltimore.

To reduce their energy consumption, environmental footprint and utility expense, Sephora recently undertook the retrofit of 475 high-bay lighting fixtures in their facility. The lamps were replaced with two types of LED lights.

Estimated energy consumption savings are 421K kWh annually with a 2.61 year payback period.





INDUSTRIAL CASE STUDY

LED LIGHTING SHINES A BRIGHTER FUTURE ON LBA TENANTS

PGW

PGW Auto Glass, a leader in the distribution of automotive glass, occupies 24K square feet in a multi-tenant warehouse/distribution building near downtown Denver.

As part of their recent lease renewal at the property, LBA provided an allowance for tenant improvements. One of the options the company considered and ultimately pursued was an LED retrofit of their space. To streamline the process, LBA engaged a vendor, solicited a proposal, presented it to PGW, and explained various options and the benefits of each.

The company moved forward and replaced their warehouse lamps with 42 LED fixtures, and installed 22 LED flat panel fixtures in the office space and restrooms.

Estimated energy consumption savings are 33K kWh annually.



NORTHERN CALIFORNIA PORTFOLIO

LBA's Northern California Region has 15 industrial properties that consist of approximately 3 million square feet occupied by 28 tenants. The buildings were constructed between the 1950s and 2019 and are located throughout the San Francisco Bay Area and Central Valley.

The Northern California team continually seeks opportunities to reduce operating costs and energy consumption. In partnership with customers, the team upgraded all exterior lighting to LED. This has resulted in 455 fixtures being replaced, with an average of 640K annual kWh savings.





OFFICE CASE STUDY

ONE CULVER WINDOW TINTING PROJECT

At One Culver in Culver City, California, we were having cooling variations as a result of southwesterly sun exposure. To balance the temperature, LBA installed window tinting on windows consisting of single-paned glass with little heat rejection characteristics. Based on our engineer's experience at the building, it was believed that tinting would result in considerable energy reductions, reduced wear and tear on base building HVAC equipment and reduction in customer comfort complaints. After project completion, our HVAC hot calls were reduced, allowing the building engineers to focus on other asset requirements. The film is performing above expectations and our energy savings have improved.

RESULTS

- Electricity consumption reduction of 501K kWh or 14% of HVAC related usage and 7% of total site usage
- Peak demand reduction of 162 kW or 8%
- 10 degrees temperature differential with tinting
- Approximately 15% reduction in customer comfort complaints

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INDUSTRIAL CASE STUDY

SMART IRRIGATION INSTALLATION AT CALAVERAS CENTER INDUSTRIAL PARK

LBA actively identifies ways to improve water efficiency throughout our portfolio and makes water a priority by benchmarking performance, identifying issues and areas of opportunities. In 2021, we partnered with a service provider to install smart irrigation technology at Calaveras Center, an industrial business park in Northern California.

Since irrigation can be the largest source of water waste on a property, we decided to install smart irrigation metering and software at our site to reduce water consumption by 40-70%. We do this through weather tracking, leak detection and real-time adjustments.

RESULTS

- Estimated annual water consumption savings of 3.9K CCF or 52%
- Estimated net annual cost savings of 42%

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SOCIAL

ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement continues to be a priority within our ESG platform as we collaborate with key stakeholders including team members, investors, customers, service providers and the community. Through this approach, we educate team members, strengthen customer relationships, drive performance gains and deliver on LBA's ESG commitment. All efforts are in support of the business strategy to attract and retain investor partners, protect our environment, and support the communities where we invest, live and work.



LBA ACHIEVES DIVERSITY MILESTONE WITH RECRUITMENT IN 2021

LBA, working through the LBA Diversity, Equity & Inclusion (DEI) Committee, has advanced key initiatives to further embed the priority of DEI into the company's culture and business practices. Here are highlights from the past 12 months.

RECRUITMENT AND NEW HIRES

We remain focused on our recruiting goals. As a result of referrals, industry networking and our strong recruiting partnerships half of our team members who joined LBA in 2021 were minority hires. We are continuing to focus on our recruiting process by building a strong network of partnerships from various diversity organizations and local colleges and universities within the various markets we operate.

SUMMER INTERNSHIP PROGRAM

In 2021, LBA formalized its summer internship program and recruited a diverse group of five college students. We were intentional to create an internship program that opened the door to all genders and races. This year, in 2022, there are seven student interns in the program, recruited with the help of local colleges and universities and also through a partnership with SEO, an education non-profit that canvasses the talent across numerous campuses. Notably, our interns are paid, which makes the opportunity even more attractive, while also providing valuable training and experience. Just recently, LBA was fortunate to extend a full-time employment offer to our 2021 Denver intern, Dulcinea Martinez, who joined our Operations team shortly after graduating this past summer. LBA's hope is to continue to nurture diverse students and provide opportunities to join our team.

COMMUNITY OUTREACH AND CHARITABLE EFFORTS

LBA continues to expand and deepen its community outreach, including evaluating charitable efforts to ensure we are supporting organizations that aid diverse populations. One example is the Thurgood Marshall College Foundation, which focuses on historically Black colleges and universities.

SERVICE PROVIDER PROCUREMENT

LBA has initiated the process to develop a baseline understanding of the company's third-party service providers to measure the extent to which they are woman and minority-owned firms, and the service providers' commitments to DEI as a priority. LBA will work with service providers to help accomplish this goal.

INDUSTRY PARTICIPATION

LBA continues to participate in industry initiatives that maximize our contribution to organizations and efforts that advance diversity, equity and inclusion, and to encourage more of those efforts by the industry.

Also in the past year, the DEI committee added new LBA Team members, further enlarging its reach, and accepted the help of volunteers across the organization.

MEET OUR DEI COMMITTEE



Top Row left to right: Mike Memoly, Michelle German, Kristine Hilliard

Second Row left to right: Miriam Otero, Francesca Cooke, Nadia Ong, Sandrena Robinson, Garrett Macklin, Sean Dula

Third Row left to right: Luana Barbuzano, Elizabeth Diaz, Eve Buck, Dulce Arechiga, Adriana Silva, Stephanie Perry, Tanya Shyy

Fourth Row left to right: Joanna Morrow, Jennifer Ho, Karen Penhall, Anna Hetzner, Holly Lyles, Amada Sambrano



IN THE COMMUNITY

LBA'S CHARITABLE EFFORTS FOCUS LARGELY ON FAMILIES AND KIDS

The LBA Foundation's support for charitable activities and partnerships with philanthropic organizations is well demonstrated, particularly as it relates to families and children.

In 2021 and into this year, longtime partnerships continued with the Boys & Girls Clubs of America and the Pediatric Cancer Research Foundation. Members of the LBA leadership team hold board positions with these organizations, and each year the company contributes to, raises funds for and volunteers at local Boys and Girls Clubs in many of our regions. Among other things, we help to physically improve facilities and host celebrations and events for children. We do this with the help of all of our company stakeholders, including service provider and supplier partners, customers and team members.

LBA encourages all team members to give financially as well as their time by offering a charitable giving match program and paid time off to recognize and reward team members and the causes they are passionate about.

CONTRIBUTIONS



United Way of Greater Los Angeles



United Way of Northern New Jersey



Elmhurst



BOYS & GIRLS CLUBS OF SAN FRANCISCO



LBAOffice

LBALogistics

OUR COMMITMENT TO HEALTH AND WELLNESS

LBA is committed to providing a healthy workplace for our team members, customers and visitors. To that end, LBA has collaborated with Underwriters Laboratories (UL) in their Verified Healthy Building Program to achieve third-party validation of our indoor environmental quality across our office portfolio. Additionally, LBA pursues the Fitwel certification, where possible, to align with the CDC and GSA's standards for healthy and productive workplaces. We also partner with Alveole to bring urban beehives to our properties, which provides benefits to the local community.



LBA made a commitment to provide a healthier work environment for our valued customers. As a result, we were the first company globally to achieve the UL Verified Healthy Building Mark for Indoor Environment across our office portfolio. Throughout the process, we collaborated with UL, the global safety science leader, to help ensure that our office portfolio meets the peak level of standards in performance and building protocols in indoor environmental quality. To earn the UL Verification Mark, buildings must undergo a rigorous, science-based assessment that entails on-site inspections and comprehensive performance tests to evaluate a range of building conditions. To maintain verification, the properties undergo on-site inspections twice a year to ensure excellent indoor environmental quality performance.



LBA has achieved 5 Fitwel certifications with continuous evaluation across our portfolio. LBA's Fitwel program demonstrates our commitment to prioritize healthy building operations and assist in the well-being of our office and industrial customers. The program also encourages our operations team to promote wellness by incorporating new amenities and strategies at the asset level. Some strategies that we are most proud of include a "Fit Program" offering complimentary yoga and pilates classes, a room for nursing mothers, incentives for choosing healthy food options and desirable common seating areas.



LBA launched our biodiversity initiative by welcoming urban beehives to our properties. Our initial introduction was at three office properties including Denver Place in Colorado, One Culver in California and DFW Airport Center in Texas with plans to expand this program over the coming years. At each of these properties, we have partnered with Alveole to bring urban beehives to the rooftops, which are home to approximately 160K bees. This initiative provides creative engagement with our customers by giving them the opportunity to meet the bees and learn about the positive impact they have on the environment. Approximately 250K species of flowering plants depend on bee pollen to reproduce and many insects and small animals rely on plants pollinated by bees each year to survive. Additionally, bee pollination accounts for more than \$15 billion in added U.S. crop value and bees produce hive products including honey. This initiative aligns with LBA's overall commitment to health and wellness by providing the local communities with the many benefits that bees have within their surrounding ecosystem.



CUSTOMER SATISFACTION SURVEY RESULTS

SUSTAINABLE AREAS OF MOST INTEREST

Over the last 14 years, LBA's annual customer satisfaction survey has demonstrated a consistent increase in the value of ESG and sustainable operations to our customers. The number of customers who have indicated that ESG is important to them has increased from 54% in 2007 to 79% in 2021.

The survey is an opportunity to evaluate the sustainability practices that are of most interest to our customers. The results are shared with the property management teams as a resource to engage with customers around targeted initiatives. This allows us to work together to achieve their goals and create a more focused annual ESG Action Plan that aligns with the sustainable needs of our customers.

SUSTAINABILITY PRACTICES OF MOST INTEREST TO LBA CUSTOMERS

17%
RECYCLING PROGRAM

13%
INDOOR AIR QUALITY PROGRAM

12%
ENERGY CONSERVATION

11%
ENERGY EFFICIENT LIGHTING

9%
WASTE REDUCING INVENTORY METHODS

9%
HEALTH AND WELLNESS

9%
RENEWABLE ENERGY (SOLAR BATTERY STORAGE)

8%
ELECTRIC CAR CHARGING STATIONS

7%
WATER CONSERVATION

5%
CARBON FOOTPRINT/ ENERGY STAR

INDUSTRIAL CASE STUDY

LBA ENGAGES WITH CUSTOMERS TO CHANGE BEHAVIOR, IMPROVE OUTCOMES

Across the portfolio, LBA engages with customers to improve environmental and social outcomes, including encouraging changes to operational policies and practices. Many customers share these aspirations and appreciate working together to achieve mutually beneficial goals. LBA's Sustainability as a Service demonstrates our commitment to encourage, advise and support customers.

One area of focus is waste. LBA is committed to reducing waste, reusing material and implementing recycling programs at our buildings. We've partnered with a third-party service provider to actively monitor and audit our service levels to improve diversion rates. We also help individual customers implement waste programs for their facilities.

Our Chicago Industrial team has gone a step further. They challenged customers, starting in 2021 at four properties, to recycle all manner of electronic waste including desktop computers, laptops, monitors, keyboards and other office machinery. Then they collected the electronics from the customers as part of a coordinated event. They were able to dispose of 1,171 pounds of electronics properly. This year the goal is to engage 20 customers, up from last year's 15.

LBA works with a vendor/partner to support e-cycling, including waste diversion and reuse, and celebrates the program by bringing food trucks to the locations occupied by customers who participate. Customers look forward to the events and saving electronic waste for the occasion.

LBA Logistics 





Denver Place presented with TOBY Earth Award!

The Outstanding Building of the Year (TOBY®) Awards is the most prestigious and comprehensive program of its kind in the commercial real estate industry recognizing quality in commercial buildings and rewarding excellence in property management. The TOBY-Earth Award is a special category of BOMA's TOBY program focused on those office buildings that best demonstrate successful application of a wide range of sustainability and ESG (Environmental, Social and Governance) practices and policies that identify, measure, mitigate and communicate these impacts. Categories of excellence include: reduction of environmental risk, indoor air quality, green cleaning, responsible waste streams, energy conservation, staff and tenant education, building operations and maintenance, energy management system, water conservation, interior finishes, green purchasing and community impact.



OFFICE CASE STUDY

DENVER PLACE BIKE TO WORK DAY

LBA's Denver Place is a nearly 1 million square foot Class A office and retail center that comprises a full city block in the heart of downtown Denver. It's also one of the most popular breakfast stops on Denver's annual "Bike to Work Day," which typically results in as many as 30,000 cars off the road.

Our Colorado office and industrial teams have enabled LBA's participation in the event since 2016. Denver Place tenants including Syrup, Starbucks, Russell's Convenience and Café 21 provide complimentary refreshments (water, coffee, breakfast burritos, granola bars, fruit and other food) to participants biking through the city. Our customers literally feed the appetite of Denver commuters who bike to work! But encouraging alternative forms of transportation in the community isn't just a one-day affair for LBA.

Denver Place's location makes it easily accessible every day by public transit including light rail and city buses. Plus, amenities at the property incentivize and reward people who bike to work, carpool or drive electric vehicles.

The "Bike Barn" at Denver Place holds 131 bikes and 15 stand-up scooters. It's a secured facility for customers with lockers, showers and towel service. The parking garage in the building offers free electric vehicle charging stations and preferred parking spaces for people who ride share or carpool.

RESULTS

Biking to work reduces vehicular congestion and pollution, and provides health and wellness benefits. LBA's participation in Bike to Work Day fuels behavioral change on a large scale.

Over 500 tenants have signed up for Bike Barn access. The average number of bikes parked at Denver Place during the work day nearly doubled the first summer the Bike Barn was open. Building occupants using alternative transportation increased from 50% to 63% after the facility was installed. At the same time, the vehicle charging stations and preferred parking spaces for ride sharing and carpooling are being used at a high level.

LBAOffice



OFFICE CASE STUDY

LAKEVIEW CORPORATE CENTER EARNS TWO-STAR FITWEL CERTIFICATION

LBA's Lakeview Corporate Center, a multi-tenant Class A office property in Southern California, has earned a two-star Fitwel certification. It's the first LBA property to be so designated. Fitwel was originally created by the U.S. Centers for Disease Control and Prevention and the U.S. General Services Administration.

By Fitwel's standards, highly rated buildings positively impact community health, support social equity for vulnerable populations, instill feelings of well-being, enhance access to healthy foods, promote occupant safety and increase physical activity.

Lakeview features a 259,540 square foot building on a 22-acre campus with extensive landscaping, nature trails, outdoor collaborative workspaces, an oversized grand atrium well-lit by a floor-to-ceiling glass entrance, and large beautiful skylights that bring in vast natural light.

Amenities include a café, abundant indoor and outdoor seating, game tables, an oversized media wall with streaming content, fitness center, wellness room, vehicle charging stations and water bottle refilling stations. Customer programming includes "Meditation Mondays," "Work-Out Wednesdays" for yoga and "TGIF-Fridays" for fitness.

In 2021, the property also achieved the LEED-Gold certification, ENERGY STAR label with a score of 90, the UL Verified Healthy Building Mark in Indoor Environment and in the 2022 Outstanding Building of the Year (TOBY) International award from BOMA International.



Lakeview Corporate Center has received the TOBY International Award!

Lakeview Corporate Center was presented with The Outstanding Building of the Year (TOBY) International Award for Suburban Office Park Low-Rise at the BOMA International Conference in Nashville, TN. The TOBY Award from BOMA is the most prestigious recognition that building operators can achieve in commercial real estate. The property has also achieved LEED Gold, ENERGY STAR certification, UL Verified Healthy Building Mark in Indoor Environment and the Fitwel Two-star rating certification.



RESULTS

Lakeview customers have access to multiple amenities that increase social interaction, foster improved health and wellness, boost employee morale and productivity and instill feelings of community.

Outside of their suites, employees can plug in to an individual seating area, take a break and enjoy a game or nature walk outside. On-site food service eliminates the need to leave the campus for lunch, mitigating traffic, reducing vehicle emissions and allowing for more quality time.



GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Essential to LBA's corporate governance is a company-wide commitment to integrity. Whether engaging with peers, customers, vendors, investors or the community, transparency and ethics are ingrained in all aspects of our business practices.

To support this mandate, LBA maintains a governance structure led by its internal Compliance Team. The Compliance Team consists of our Chief Compliance Officer/CFO and our Director of Compliance and supported by impartial, third-party service providers that audit and monitor LBA's policies and procedures at regular intervals.

A CULTURE OF COMPLIANCE

LBA maintains a three-pronged approach to compliance: education, documentation and auditing.

EDUCATION

At least annually, all team members receive live training on LBA's Code of Ethics. The Code of Ethics provides a clear framework for employees to achieve and maintain LBA's core values. Focusing on fundamentals like avoiding real and perceived conflicts of interest, proper management of confidential information, appropriate handling of material nonpublic information, understanding fiduciary obligations, and accountability gives team members the tools necessary to comply with the intent and spirit of LBA's policies and procedures.

DOCUMENTATION

All full-time employees and dedicated third-party service providers participate in LBA's compliance platform. The platform allows team members to confirm training, annually attest to LBA's Compliance Manual, pre-clear gifts and entertainment, answer mandatory questionnaires, request approval for outside business activities and disclose other miscellaneous items.

LBA's comprehensive Compliance Manual is regularly reviewed and updated to accommodate changes in the regulatory landscape. This document is available to all personnel. Annually, an updated Compliance Manual is distributed electronically to our team members to review and attest in the compliance software system.

AUDITING

Internal compliance audits are crucial to the integrity of LBA's Compliance Program. The Compliance Director tests our procedures to ensure practical fidelity to our written policies. These audits and recommendations are documented and escalated wherever necessary. In addition to the internal testing, LBA's third-party compliance consultant conducts in-depth exams biannually.



CYBERSECURITY

The everchanging cybersecurity landscape can pose unique challenges. Recognizing the significant value of a well-run program, LBA has invested in protecting its data and networked assets by cultivating a team of dedicated and experienced IT personnel. While streamlining business processes and educating our team on various aspects of the cybersecurity program, our professionals also maintain a key focus on risk mitigation that includes:

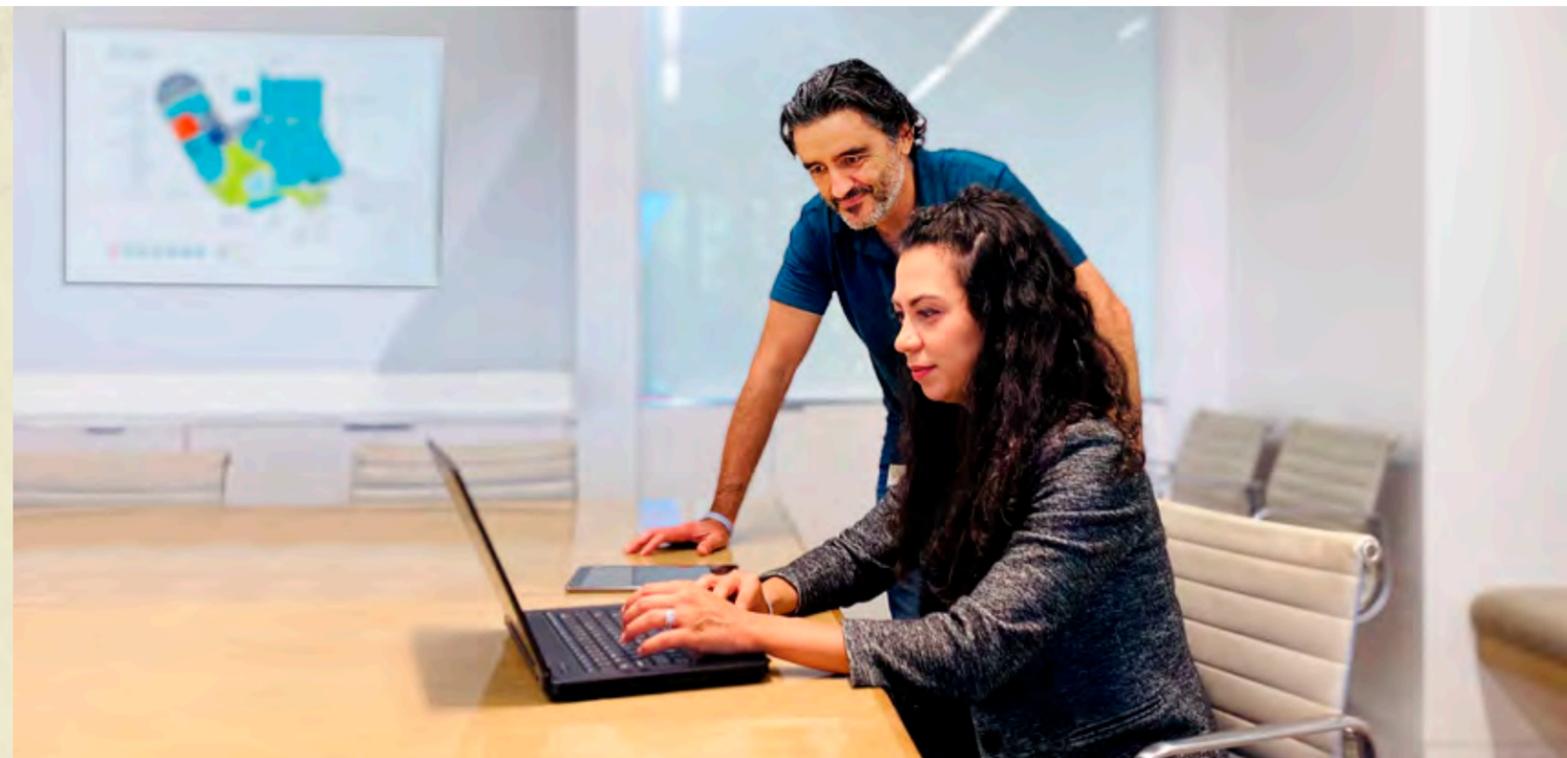
- Protection of sensitive information by implementing cybersecurity threat controls
- Disaster recovery protocols based on a resilient, cloud-based computing environment that provides secure access to critical applications and company data
- Assessment of building level controls to ensure protection of critical building systems

Third party partnerships also bolster the cybersecurity function by conducting regular penetration testing, domain monitoring, training and administering phishing tests and biannual mock audits of cybersecurity controls.

OUR APPROACH

As outlined, LBA's approach to governance is comprehensive with long-standing policies in place. Some key policy areas are designed to address:

- Physical liability and transition risks associated with climate change and potential impacts on current and future investments
- Resiliency and recovery in the event of a significant business disruption
- Proper identification, reporting, management, and mitigation of real and perceived conflicts of interest
- Anti-money laundering processes and procedures
- Documentation and maintenance of required business records
- Transparency in communications and reporting to investors



REPORTING METHODOLOGY & DATA ASSURANCE

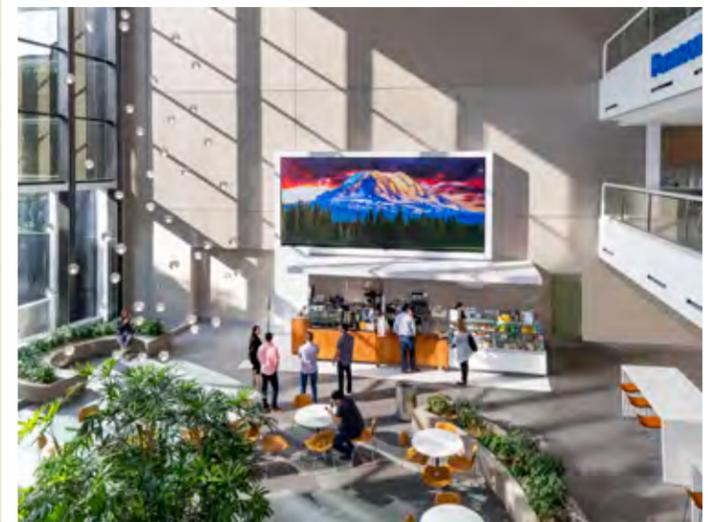
REPORTING METHODOLOGY

The intent of this report is to share LBA's ESG performance to our stakeholders. LBA's reporting is aligned with the United Nations Sustainable Development Goals and the information and results of this report are focused on the performance of our office and industrial portfolio. Due to the difference in access to data and control between properties where LBA is in operational control - typically office, and where customers are in operational control - typically industrial (prescribed by our leases), the utility data results referenced in the report are attributed to LBA's portfolio, where we are in operational control. Throughout the report, we include case studies, highlights and green certifications that also share the results and efforts in both the office and industrial portfolio. We will continue to analyze data from our customer controlled properties to assess performance and partner with customers to make sustainability improvements.

DATA ASSURANCE

LBA engaged third-party, DNV Business Assurance USA, Inc., to perform data verification of LBA's environmental footprint claims for greenhouse gas emissions, energy, water and waste.

The Independent Assurance Statement is available upon request by emailing: sustainability@LBArealty.com.





2022 ANNUAL ESG REPORT

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